

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4838-01
Bill No.: HB 1993
Subject: Property, Real and Personal; Treasurer, State
Type: Original
Date: February 22, 2010

Bill Summary: Modifies and creates provisions relating to the Uniform Disposition of Unclaimed Property Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$0	(\$10,271,670)	(\$10,271,670)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$10,271,670)	(\$10,271,670)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer (STO)** state each year the STO “dumps” a percentage of abandoned property into the General Revenue Fund using a specific formula. With this proposal, businesses would keep business-to-business unclaimed property rather than turn it over to the state. As a result, unclaimed property reported to the state by businesses would be reduced and the amount of money the STO would dump into the General Revenue Fund will decrease. The STO estimates a reduction in business-to-business unclaimed property and statute of limitation being dumped into GR of \$10,271,670 each year beginning with FY 12.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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GENERAL REVENUE FUND

Loss - STO

Reduction in transfer of unclaimed property	\$0	(\$10,271,670)	(\$10,271,670)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$10,271,670)</u>	<u>(\$10,271,670)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

The proposal could positively impact small businesses that no longer have to turn over unclaimed business-to-business property to the state.

FISCAL DESCRIPTION

This proposal exempts intangible property due or owed by a business association to or for the benefit of another business association resulting from the normal and ordinary course of business from the provisions relating to unclaimed property and the Uniform Disposition of Unclaimed Property Act.

FISCAL DESCRIPTION (continued)

The State Treasurer must not enforce the provisions of Chapter 447, RSMo, relating to lost and unclaimed property more than three years after the holder of property filed a report or gave express notice of a dispute. If a report is filed fraudulently with the intent to evade escheatment of property, the State Treasurer can enforce these provisions within six years after the report was filed. If no report is filed, the State Treasurer may enforce these provisions at any time.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 22, 2010